NSC REVIEW COMPLETE

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DIA review(s) completed.

DEFENSE INTELLIGENCE AGENCY
WASHINGTON, D.C. 20301

NSC review
completed

10 APR 1984

U-14,142/RSE-4

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: National Policy on Telecommunications and Automated
Information Systems Security - ACTION MEMORANDUM

I am writing to you as your Senior Intelligence Advisor to assist in your
review of the final draft National Security Decision Directive (NSDD) on a
National Policy for Telecommunications and Automated Information Systems
Security to replace the current PD/NSC-24, Telecommunications Protection
Policy, dated 16 November 1977. The final draft NSDD contains important
policy issues that will significantly impact the Intelligence Community
and military operations in the decades ahead. Accordingly, the initial
draft sparked considerable controversy and varied positions within DoD and
the Intelligence Community. I have now learned that the final draft NSDD
has been released to you for comment by 16 April 1984, and that it
contains very little change from the initial draft.

Given the importance of this directive, I urge your consideration of the
various positions that have been developed on the matter. Briefly
summarized they are:

- Joint Chiefs of Staff: The Joint Chiefs of Staff strongly
supported the conceptual approach of integrating Telecommunications and
Automated Information Systems Security, but had strong reservations in
some areas. To highlight the principal areas of concern, they proposed
revision of the membership of the National Telecommunications and
Information Systems Security Committee to include adding the Director, DIA
and Commandant of the Marine Corps to this important policy body. They
nonconcurred with national funding by NSA for consolidated
telecommunications and computer security programs. The JCS concurred with
designating NSA as the national manager, but restricted the scope of its
authority and responsibilities to require coordination with operating
agencies in developing security standards, restricted NSA's authority to
examine and monitor automated information systems in other Services and
agencies without prior approval, and proposed that current directives
pertaining to certification and accreditation of automated information
systems remain in effect. Lastly, NSA authority to enter into agreement
with foreign governments with regard to telecommunications and computer
security was restricted to a technical liaison role. With the exception
of the addition of the Commandant of the Marine Corps to the National
Committee, all other proposed revisions were excluded from the final
draft.

- Deputy Under Secretary for Policy: General Stilwell has taken the
position that the pace and extent of centralization of management and
policymaking proposed in the NSDD are premature. In brief, DUSD(P) has
proposed a phased approach to gradual integration of Telecommunications
and Automated Information Systems Security -- to include two separate

committees under the Steering Group; deferral for study of the need for
the establishment of an executive agent and national manager for combined
telecommunications and computer security programs; and deletion of the
proposal in the NSDD for a consolidated national program/budget. In
addition, DUSD(P) proposed that the Director, DIA and Commandant of the
Marine Corps be added as members of the two national committees, but
opposed combining the two committees pending further evaluation and
completion of the internal DoD comprehensive computer security program
review that you initiated in January 1984. Again, essentially none of
these concerns were addressed in the final draft.

    - <u>Director of Central Intelligence</u> : The DCI also nonconcurred in
the draft NSDD over concerns about the erosion of the DCI authorities for
developing computer security policies and standards for systems processing
compartmented intelligence information and establishing policy and
accreditation for intelligence systems. These policies and accreditation
authorities are further delegated to the Director, DIA for all DoD non-
cryptologic systems. We are not aware of the specific revisions proposed
by the DCI, but are advised that the final draft NSDD further exacerbates
the situation by deleting responsibilities for DCI coordination with the
activities established under the NSDD concerning unique requirements
pertaining to the protection of intelligence sources and methods.

    - <u>Deputy Under Secretary of Defense (C3I)</u>: Dr. Latham has supported
the NSDD and recommended that the Director, NSA exercise independent
national roles for COMSEC and computer security programs under SecDef
executive agency.

Under the current Secretary of Defense and DCI policy, the Director, DIA,
is responsible for the dissemination of all-source intelligence, including
the processing and dissemination of intelligence through computers, to all
echelons of military command. I am also responsible for implementing
security policy for the handling and dissemination of military
intelligence, including the processing of compartmented intelligence on
non-cryptologic computer systems throughout DoD. Promulgation of the
NSDD, in the final draft form, would substantially alter this policy
framework and create a new computer security management structure without
an effective system of checks and balances to ensure the security risks
are balanced with the requirements for military operations. Given the
growing threat and potential vulnerabilities of our computer systems, I
support development and implementation of strong security measures and
major R&D initiatives, particularly those underway at NSA. While
improvements in computer security must be afforded high priority, we must
ensure that stringent computer standards are developed considering the
requirements for dissemination of all-source intelligence to users at
every echelon and consistent with available technology and our ability to
implement computer security improvements. The technology and expertise in
the computer security arena are not as advanced as in the communications
security area.

As the manager of the General Defense Intelligence Program (GDIP), one of the major components of the National Foreign Intelligence Program, I am further concerned about balancing the affordability of computer security initiatives with other improvements in overall DoD intelligence capabilities. Based on estimates in the FY 1985 budget, we have learned that developing new computer security techniques and retrofitting existing systems are extremely costly. It is important that the Director, DIA, as the GDIP program manager, the intelligence officer of the Joint Staff, and your senior military intelligence advisor continue to participate in balancing these priorities rather than assigning an independent activity the authority to develop a consolidated communications and computer security budget without regard to overall military intelligence priorities.

I strongly recommend that you not concur in the final draft NSDD until the OSD staff, the JCS, the DCI and other members of the National Security Community can collectively agree on its key policy provisions and implementation.

Coordination within OSD is not required.

JAMES A. WILLIAMS
Lieutenant General, U. S. Army
Director

cc:

CJCS

Prepared by Mr. L.T. Busic, x22000

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ROUTING AND TRANSMITTAL SLIP

Date 4/12/84

TO (Name, office symbol, room number)		Initials	Date
1.			4/12
2.			4/12
3.			12 APR 1984
4.	13 APR 1984		
5.			

Action		File		Note and Return	
Approval		For Clearance		Per Conversation	
As Requested		For Correction		Prepare Reply	
Circulate		For Your Information		See Me	
Comment		Investigate		Signature	
Coordination		Justify			

REMARKS

Latest on PD-24 and 12 April 84 meeting with OC/COMSEC at 1300 hours.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

STAT

5041-102

☆ GPO : 1983 0 - 381-529 (301)

OPTIONAL FORM 41 (Rev. 7–76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

OFFICE OF THE DIRECTOR 19 APR. 1984

Office of Security

CS REGISTRY
FILE _____

TO: DD/P+M

SUBJECT: PD-24

SKIP —

• HELP!

• WHAT I NEED ON POLICY ITEMS LIKE THIS ONE --- THE UPS AND DOWNS OF PD-24 --- IS FOR SOMEONE TO TELL ME:

4/23/84 Marchedly if it's approved

— HOW DOES IT APPEAR TO AFFECT, IF AT ALL, THE FUNCTIONING OF THIS OFFICE?

& — HOW DOES IT APPER TO AFFECT, IF AT ALL, THE SECURITY OF CIA?

• SORRY, BUT I JUST DON'T HAVE TIME TO PLOW THRU.

• AFTER FIVE STRAIGHT 9PM NIGHTS. I'M DROWNING